

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 /080 W
-----191115Z 115665 /20

R 181613Z MAR 77
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 1108
INFO AMEMBASSY MOSCOW
AMEMBASSY LONDON
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW
USMISSION BERLIN
USMISSION EC BRUSSELS

LIMITED OFFICIAL USE VIENNA 2161

EO 11652: N/A
TAGS: EEWT, EFIN, CEMA, AU
SUBJ: VIENNA BANK SUBSIDIARY TO TRY ACCOUNT SETTLEMENT IN
TRANSFERRABLE RUBLES

REF: MOSCOW 639, 301, VIENNA A-004

1. SUMMARY. ALTHOUGH MOST AUSTRIAN BANKS CONSIDER
IBEC'S OCTOBER 1976 PROCEDURE FOR SETTLING ACCOUNTS
IN TRANSFERABLE RUBLES UNATTRACTIVE, THE
ALLGEMEINE FINANZ UND WAREN TREUHAND A.G. (AWT) HAS
DECIDED TO TEST THE NEW SYSTEM. END SUMMARY.
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2. FOR MOST AUSTRIAN BANKS THE IBEC PROCEDURES OF
OCTOBER 1976 TO PROVIDE FOR SETTLING ACCOUNTS
BETWEEN CMEA MEMBERS AND NON-MEMBERS IN TRANSFERABLE
RUBLES (TR) ARE UNATTRACTIVE. THEY POINT OUT THAT
SETTLING IN TRS MEETS WITH GREAT DIFFICULTIES IN
INTR-CMEA TRADE EVEN THOUGH ONLY 3-5PERCENT OF INTRA-

CEMA PAYMENTS ARE HANDLED MULTILATERALLY BY IBEC.

3. RECENTLY, ONE OF AUSTRIA'S LEADING SWITCH AND BARTER HOUSES, AWT, A SUBSIDIARY OF AUSTRIA'S LARGEST BANK, THE CREDITANSTALT BANKVEREIN, HAS DECIDED TO TEST THE NEW SYSTEM. AWT HAS HAD A TR ACCOUNT WITH IBEC SINCE 1975 BUT HAS NOT USED IT. PENDING CONCLUSION OF NEGOTIATIONS WITH THE FOREIGN TRADE BANKS OF THE CMEA MEMBER COUNTRIES, AWT INTENDS TO USE ITS ACCOUNT TO SETTLE SEVERAL COMPENSATION DEALS. ACCORDING TO AWT'S DIRECTOR, THIS PROCEDURE WILL PROVIDE GREATER FLEXIBILITY (WHICH HAD BEEN A PROBLEM WITH TRADITIONAL COMPENSATION TRANSACTIONS) BY ALLOWING THE EXPORTER TO DELIVER HIS GOODS TO ONE PARTNER AND TAKE COMPENSATION GOODS FROM ANOTHER SOURCE. THE NEW SYSTEM ALSO IS EXPECTED TO HAVE DISADVANTAGES, PRIMARILY THE REQUIREMENT FOR 100PERCENT COMPENSATION. MOST TRADITIONAL COMPENSATIONS TRANSACTIONS PROVIDE FOR ONLY PARTIAL PAYMENT IN COMPENSATION PRODUCTS WITH THE REST IN CASH. IN ADDITION, A NUMBER OF QUESTIONS REMAIN. FOR EXAMPLE, THE TYPE OF GOODS THAT WOULD BE ELIGIBLE, THE ACCOUNTING PROCEDURES TO BE USED AND THE RELATED PROBLEM OF PARITY RATES. IN AWT'S OPINION THESE CAN ONLY BE ANSWERED AFTER THEY HAVE HAD FURTHER EXPERIENCE WITH THE NEW SYSTEM. BUCHANAN

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Message Attributes

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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE, FOREIGN EXCHANGE TRANSACTIONS, CONVERTIBLE FOREIGN EXCHANGE, RUBLE
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Handling Restrictions: n/a
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Litigation History:
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